

**Office of Thrift Supervision**

Department of the Treasury

Managing Director, Office of Supervision

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September 12, 2001

MEMORANDUM FOR: CHIEF EXECUTIVE OFFICERS**MEMORANDUM FROM:** Scott M. Albinson**SUBJECT:** Serving Customers Affected by Terrorist Attacks

Our nation's thrift institutions have a rich tradition of serving our communities and consistently meeting challenges presented from natural disasters and other events. OTS is confident that the industry will once again rise to the occasion in this tragic time.

We recognize that the efforts of savings associations to work with depositors and borrowers temporarily affected, either directly or indirectly, by yesterday's terrorist attacks, if conducted in a prudent manner, are consistent with the principles of safety and soundness and the public interest. It is OTS' policy to encourage thrift institutions under these circumstances to make reasonable efforts to alter or adjust payment terms, to waive fees under extraordinary circumstances, or to grant new loans to borrowers affected by disasters.

OTS encourages savings associations extending services to affected customers to:

- Work with depositors or borrowers who have been affected;
- Consider temporarily waiving late payment charges as well as penalties for checks returned because of insufficient funds where it appears that such late payments and nsf conditions resulted from delays beyond the customer's control;
- Consider waiving penalties for early withdrawal of savings in circumstances where the customer has a demonstrable need for the funds resulting from the events of September 11;
- Reassess the current credit needs of the community or communities and help meet those needs by making or participating in sound loans;
- Consider a prudent restructuring of an affected borrower's debt obligations, by altering or adjusting payment terms; and
- Take advantage of programs offered by Federal Home Loan Banks and Federal Reserve Banks.

Within the constraints of safety and soundness and statutory requirements, OTS will facilitate your efforts. For example:

- Thrift's experiencing any significant balance sheet effects from unusually large deposit inflows/outflows or significantly increased lending due to market responses from the tragic events of September 11 should contact their regional office.
- OTS may temporarily waive the Qualified Thrift Lender requirement to allow capital compliant institutions to assist businesses.
- OTS will consider an institution's response to its community as an important element of "performance context" under OTS' Community Reinvestment Act regulations (12 C.F.R. § 563e.21 (b)) when evaluating the institution's stabilization activities in its community.

Thrifts in need of further assistance should contact their regional office.